

Markt Lytle

State Representative • District 69



Summer, 2000

Dear Friends,

As a member of this community for many years, I've watched as farmers struggle to earn a living. Out of respect for their hard work, I have advocated on their behalf in the Indiana General Assembly.

During the 1999 session, I voted for a major tax cut for farmers and small businesses. During this past session, many of my efforts were focused on the tobacco settlement. As you may know, Indiana will be receiving around \$4 billion over the

next 25 years. One of the major accomplishments of this past session was legislation outlining the distribution of these funds. I, along with other legislators from rural communities, strongly advocated the creation of a fund to help tobacco farmers through the transition.

Please write my office or call toll-free 1-800-382-9842 if you have any questions or comments regarding this mailing or any other state government matter.

Sincerely,

A handwritten signature in blue ink that reads "Markt Lytle".

Settlement benefits tobacco farmers

The tobacco settlement legislation created a fund that eventually will dedicate assistance to areas of the state that will suffer economically through the loss of tobacco production. The Rural Community Impact Fund will help develop new agricultural enterprises in cities and towns, including facilities for research and development, new market opportunities, educational and leadership development programs and direct financial assistance. The Tobacco Farmers Impact Fund will help producers make a successful transition to alternative, economically viable commodities and support efforts to preserve and maintain Indiana family farms and farmland.

With the strong support of Governor Frank O'Bannon, the House appropriated over \$28 million to help in these two areas. Unfortunately, this funding was deleted in the Senate. While I was disappointed with the outcome, I will dedicate all of my resources in the next session to make sure money is appropriated for this cause.

Federal money for tobacco farmers

A partnership between the federal and state governments has resulted in much needed assistance to Indiana tobacco farmers. Farmers will be receiving assistance from several sources:

- **TLAP:** Congress appropriated funds in 1999 to compensate tobacco farmers for crop losses. The Indiana Tobacco Settlement Trust distributed approximately **\$4.8 million** in Tobacco Loss Assistance Program (TLAP) payments to 8,200 Indiana tobacco farmers the last week of May. Questions about TLAP payments should be directed to Linda Gray at the Office of the Commissioner of Agriculture, (317) 233-1572.

- **Indiana Tobacco Settlement Trust:** As part of the Phase II Tobacco Settlement, the states that grow tobacco and the tobacco industry created a trust. The tobacco companies put money into the trust and the states divide the money among their tobacco farmers and cut the checks every December for twelve years.

- **Additional Assistance:** New legislation recently passed through Congress allocating another lump sum for tobacco farmers to compensate for the dwindling quotas. Indiana will receive approximately **\$5.4 million** in direct payments. These funds must be distributed by October 20.

Tax Cuts for Farmers

Inventory tax cuts enacted by members of the Indiana General Assembly will provide more relief than originally anticipated for farm and small business owners across the state.

When we passed these cuts during the 1999 legislative session, savings were estimated at more than \$80 million in both 2000 and 2001. Now it appears those estimates were low, and the actual savings will be more than \$210 million in both years.

By enacting this credit and assuring it covers both equipment and inventory, we eliminated inventory taxes for nearly 90 percent of the businesses and farms in Indiana. The inventory tax cut is just one part of what is now more than \$1.5 billion in tax relief for the people of Indiana that has been put in place over the past few years.

Other reductions approved over the past few years include:

- **Small Businesses and Farmers:** Businesses will no longer have to “add-back” property taxes deducted on their federal returns.
- **Homeowners:** Property taxes on a taxpayer’s principal place of residence can be deducted up to \$2,500.
- **Senior citizens:** The income tax deduction for most seniors was increased from \$1,000 to \$1,500. Each qualified taxpayer may take this deduction — meaning married couples may now deduct \$3,000 from their adjusted gross income. Many seniors also received an increase in the property tax deduction from \$1,000 to \$2,000.
- **Dependent children:** The income tax deduction was increased from \$1,000 to \$2,500 for dependent children under age 19 and full-time students under age 24.
- **Inheritance Tax Cut:** A new inheritance tax cut will help middle-income families and protect family farms and businesses into the next generation by providing a \$100,000 deduction for each child, parent, grandparent, and grandchild of a deceased person.



Rep. Markt Lytle

200 W. Washington Street
Indianapolis, IN 46204

Call toll-free:

1-800-382-9842

Road Funding

Additional \$200 million statewide will help build & repair local roads

We appropriated an additional \$200 million statewide for local roads. This is in addition to the regular statewide funding of \$455 million.

The amounts listed for each city are in addition to the total for the county. The amount appropriated to each city is based on the population of the city.

Jefferson County **\$758,609**

Brooksborg \$1,744

DuPont \$6,895

Hanover \$40,982

Madison \$147,810

Jennings County **\$724,575**

North Vernon \$68,365

Vernon \$5,295

Jackson County **\$1 million**

Seymour \$195,599

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